#### BEFORE THE

# CALIFORNIA CLEAN ENERGY JOBS ACT CITIZENS OVERSIGHT BOARD

CALIFORNIA ENERGY COMMISSION

CHARLES IMBRECHT ROOM - FIRST FLOOR

1516 NINTH STREET

SACRAMENTO, CALIFORNIA

This meeting of the Citizens Oversight Board will include teleconference participation by one or more Board Members. (Gov. Code section 11123(b) (2).) The teleconference locations, in addition to the address above, are:

650 PALO MILL ROAD PALO ALTO, CA 94304

4667 MACARTHUR BOULEVARD, SUITE 420 NEWPORT BEACH, CA 92660

1401 NORTH BROADWAY LOS ANGELES, CA 90012

THURSDAY, SEPTEMBER 22, 2016

1:00 P.M.

Reported by: Kent Odell

#### **APPEARANCES**

## BOARD MEMBERS PRESENT (\*Via telephone and/or WebEx)

Kate Gordon, Chair

- \*James (Walkie) Ray, Vice Chair
- \*Randall Martinez, Board Member

Chelina Odbert, Board Member

Arno Harris, Board Member

David Dias, Board Member

\*Gary Kremen, Board Member (via Phone)

### CEC STAFF PRESENT

Jana Romero, Policy Adviser to Chair Weisenmiller

Jack Bastida

Armand Angulo

ALSO PRESENT: (\*Via telephone and/or WebEx)

- \*Brian Bartholomeusz, TomKat Center for Sustainable Energy, Stanford University
- \*Chiamaka Ogwuegbu, TomKat Center for Sustainable Energy
- \*Sneha Ayyagari, TomKat Center for Sustainable Energy

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1	PROCEEDINGS
2	SEPTEMBER 22, 2016 1:04 P.M.
3	CHAIR GORDON: All right. Let us call this
4	meeting to order.
5	Let's do our roll call. Jack.
6	MR. BASTIDA: Okay. Let's start with those that
7	are on the phone here. Board Member Ray, are you present?
8	VICE CHAIR RAY: I am. You're not coming across
9	very loudly, however. And I've got my volume up to
10	maximum.
11	MR. BASTIDA: Let me turn myself up here.
12	CHAIR GORDON: Is that true for me too, or just
13	for Jack?
14	MR. BASTIDA: Okay. Board Member Martinez, are
15	you present?
16	BOARD MEMBER MARTINEZ: Yes. And I can hear you
17	all loud and clear.
18	MR. BASTIDA: Okay. That sounds good.
19	Board Member Odbert?
20	BOARD MEMBER ODBERT: (No audible response.)
21	MR. BASTIDA: Board Member Harris?
22	BOARD MEMBER HARRIS: (No audible response.)
23	MR. BASTIDA: Board Member Gordon?
24	CHAIR GORDON: (No audible response.)
25	MR. BASTIDA: Board Member Dias?

1 BOARD MEMBER DIAS: Here. 2 MR. BASTIDA: We have a quorum established. 3 CHAIR GORDON: Thank you. Before we go to the 4 approval of --5 (Audio issues.) CHAIR GORDON: Before we move on from the roll 6 7 call, I wanted to announce that unfortunately Steve Sakurai has resigned from the Board. I've just got a letter from 8 him. He is just overwhelmed with work and family 9 10 commitments. 11 And I just wanted to note in the record that he 12 has been a very active Board Member and particularly helpful on helping with the -- put together the audit 13 14 guidelines and documents that we'll talk about today, so a 15 thank you out there to Steve. 16 And just reminding everyone that we have now two 17 open positions on this Board: one is I think, under the Controller's Office, and one -- Steve's position -- is 18 under the Treasurer's Office. And so I've already been 19 20 approached by some people who are interested in being on 21 the Board, but we should be thinking about what we think 2.2 we're lacking as a Board and thinking about pushing for new 23 members. Just another reminder from our legal counsel that 2.4 25 our quorum has to be a quorum of nine even if we don't have

1 nine active members, so it is important both for that 2 reason and because I think we're missing some perspectives 3 on the Board, that we replace those two members. 4 Great, I am moving on to Agenda Item 2 unless 5 there is any question about that or discussion about that from anyone? 6 7 (No audible response.) Hearing none, I'm going to move on to Agenda Item 8 9 2, which is approval of the minutes. Is there a motion to 10 approve the minutes from the May 18th meeting? 11 BOARD MEMBER DIAS: Motion to approve. 12 BOARD MEMBER RAY: I move for approval. CHAIR GORDON: So I had a -- Mr. Dias moved for 13 14 approval. Who seconded it on the phone? 15 BOARD MEMBER RAY: This is Walkie. CHAIR GORDON: Perfect. All in favor? 16 17 IN UNISON: Aye. 18 CHAIR GORDON: Anyone opposed? 19 All right, the motion carries. Thank you. 20 Okay. We're just monitoring the microphones 21 here. We're having some technical microphone issues. 2.2 I am going to move to Item 3. I'll turn it over 23 to Jack, staff member Jack Bastida, to talk to us about what's happening with the Draft Audit Plan. We talked 24 25 about this last meeting, but there's been some movement on

that, so Jack I will turn it to you.

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MR. BASTIDA: All right. Thank you, Board Member Gordon. I do have a mic that's working at the moment, so hopefully it will stay that way. Sorry about that.

So, as you can see on the Item Number 3 this is the 2016-17 Annual Audit Plan we received from the State Controller's Office who is providing the audit for us. As the Board has wanted, they're going to do an 80-20 percent split between the Energy Commission and K-12 Program schools and the community college district sites.

As of that, they selected a sample of 20 school sites to visit. That was 16 local educational agency sites and four community college district sites. As you see on your paper for the Audit Plan the local education agencies are listed. And they've also listed the number of projects per school district and the number sites.

One thing to keep in mind, I talked to the Auditor's Office. And they will be visiting these sites personally to make sure that they were installed as well as going to each school district's district office to pull the paperwork on the sites to make sure everything is in order.

One thing to keep in mind is they won't look at every single project, or every single site of that district, just because it is -- there are some large districts. It would be kind of costly to have them go to

18 sites and look at those 87 projects, as the case is in Fresno. But they will be taking a sample of a number of sites and number of projects and making sure that they were installed.

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Now, as you can see there's 192 projects that'll be looking at, \$12 million worth of funds were spent for the LEAs, the K-12 Program. For the Community College Program, they're looking at 31 projects, with \$5.4 million.

of the criteria that the LEAs used for their sample selection. We can go into a little bit more detail here, but they used -- were looking at a representative sample, they tried to get a representative sample of the total amount. But since we actually have not that many completed projects for the first year, they were able to look at a pretty big sample. So that's not really a problem this time.

CHAIR GORDON: Folks on the phone mute

themselves, please? Can you mute yourself on the phone?

BOARD MEMBER HARRIS: Hi. This is Arno Harris

with just a quick question. I think the thing that jumped

out at me was just with the total spending of 14.6 million;

I'm just curious why they've chose to audit 12.2 million,

which is pretty close to the total. I would have expected

25 | it to be a fraction of that total.

MR. BASTIDA: All right. I think they took that number because it was just an easy round number to take for that cost. But I can check with them and see why they selected that, for sure.

2.2

CHAIR GORDON: I mean, neither of them is a round number, so that's a good question.

BOARD MEMBER HARRIS: Even an audit around a round number question it really is just I would have expected the audit to have sampled maybe 20 percent or 30 percent of the projects as kind of a sampling, rather than almost all.

MR. BASTIDA: Almost all of them, yeah.

CHAIR GORDON: All right. We are having serious mic issues we are trying to resolve in this room here.

Jack, did you want to say more about the report and then we'll definitely open it up for discussion?

MR. BASTIDA: Okay. We have one working mic now, so we're getting someone to help alleviate that.

If you look at the Staffing Plan, you can see that the staff has been assigned to the project. There's a Bureau Chief, an Audit Manager, Auditor in Charge, audit staff -- and two audit staff. It pretty much gives them their estimated personnel costs, just so you know that that will be for the audit -- it's going to personnel.

If you look at the tentative field work dates,

you can see that they're about to start in October.

2.2

Oh, hold on one second. I'm going to take about a three minute break and try to figure out these headphones -- hold on -- microphones -- hold on.

(Break to handle audio issues.)

MR. BASTIDA: Okay. Sorry about that delay. I hope everyone can hear me loud and clear.

We'll be passing around the microphone now since we only have one that seems to be working, but I think that it'll keep working, hopefully. So let's get started again. Sorry for the delay.

If you look the tentative travel dates, they begin in early October, October 3rd, so they should be starting pretty soon. And they will be hitting up them until late February. I know that we wanted kind of some data to come before our reporting, so I've asked them to kind of give us an update at the end of the year of what they've gotten so far. So we can include that in our legislative reporting requirement.

This is basically an overview of what the auditor does when they're at the school. They pretty much make an initial phone call to the fiscal officer of the school district or community college, and they set up a conference to commence the audit. They start the process with a start letter and they have the manager review it prior to it

1 being mailed out.

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They will do also excerpt conferences with the audit. I believe they are also going to be contacting the Energy Commission and the community college district to get more information on their processes as well.

Their draft audit report will be available May 31st. And they plan on issuing the Final Audit Report no later than June 30th, 2016.

This is only for the program audits. The other flip of the coin is the other audit, the financial audits, which will be due to us actually a lot earlier. They anticipate getting that to us no later than November, so we should have that pretty soon.

And if there's any other questions regarding the audit, for the update, to let me know and I'll answer them as much as I can.

CHAIR GORDON: All right. This is complicated. We only have one microphone in this room. This is -- okay Gordon, I have two comments.

One is that I think to your question, Arno, on the why do almost all but not all of the projects, having looked at the list of all the 29 that have been put on the website, my sense, but it would be worth finding this out, is that the remainder of the money, the about 2 million, if it's left over here is all very small projects, at a bunch

1 of very small schools. And so I think what they did was 2 they took a cross section with some of the biggest projects, but didn't take multiple small projects that make 3 4 up that last 2 million, but we should check on that. 5 That's my sense from the projects that have been listed, 6 which are small. But I may be wrong, so we should look 7 into that. BOARD MEMBER HARRIS: Yeah, I'd be curious to 8 9 find out because it just struck me as the highest portion 10 of the overall. And then I guess I would be concerned as 11 we go forward, is that is this basically the number of 12 projects on the scale that expect (indiscernible) quite a bit more funds. Because if they're going to audit 80 13 14 percent of (indiscernible) spending at this rate, this 15 could be quite a bit of money --VICE CHAIR RAY: Hey, I can't hear. Can you 16 17 speak up a little louder? 18 BOARD MEMBER HARRIS: Yeah. So just I'd be 19 curious to know if this is a -- how they came up with what 20 the right level to audit was. 21 BOARD MEMBER ODBERT: I have a question about the 2.2 reporting. Do you know if there is any plan for the 23 auditing team or one of the audit team members to address 24 this Board in terms of presenting the findings? 25 MR. BASTIDA: Yeah, testing, testing. Can you

1 hear me? Well, we have two mics now. All right. 2 So your question was, are they going to address 3 the Board directly? 4 BOARD MEMBER ODBERT: Yes. 5 MR. BASTIDA: We can definitely ask them to come 6 in and perform that. They will know way more about 7 auditing practices than I do, so I suggest that as part of a future meeting. 8 9 BOARD MEMBER ODBERT: Yeah. That would be great. 10 VICE CHAIR RAY: I am looking at the list of the There seem to be a dearth of schools from LAUSD 11 schools. 12 and from the Bay Area. 13 MR. BASTIDA: Yeah, it's pretty much a full 14 complement of the school districts that have turned in 15 their completed reports to the Energy Commission and to Community College District. So you're going to see a lot 16 17 of the kind of bigger schools that were ready to have 18 projects completed and filed their reports. 19 VICE CHAIR RAY: But how do you account for the 20 fact that none are from LAUSD and I see but one from the 21 Bay Area? These are major population centers. Are these 2.2 schools not using the money? 23 CHAIR GORDON: We actually have Armand from CEC 24 is in the room without a microphone. But maybe you can, 25 Armand you can --

1 MR. ANGULO: Yeah, I can --

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CHAIR GORDON: Can you talk to us about -obviously there's only 29 projects that they could look at,
right? So the question is about lack of representation
from the Southern California to the Bay Area. Can you -do those projects exist among the 29?

MR. BASTIDA: I have a feeling that those projects are probably in the pipeline.

MR. ANGULO: Yes. This is Armand Angulo. Yes, they were in the pipeline at the time. And so they weren't part of the universe, I believe. I can double check on that. And that's probably one of the main reasons why they weren't selected up here.

CHAIR GORDON: So just to clarify. I think that was Walkie who asked the question.

VICE CHAIR RAY: Yes.

CHAIR GORDON: The only projects that the auditors can look at are the ones that are already complete or -- I think it's complete, right -- in the system. And so it does limit our universe quite a lot. We've had a lot of conversations on this Board about why so few have been completed to date.

And Arno made the very good point that next year the universe will be much bigger. And we'll face the question of geographic diversity I think in a big way next

year, trying to figure out how to do that. But I think that Armand's feeling, from looking at the 29, is that there -- and I think that's right from looking at them recently, that there aren't any Bay Area projects complete yet?

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MR. ANGULO: What you've got to understand is it's a completed projects plus 12 months of utility usage data necessary to evaluate the impact, the energy usage impact, of that. So you're looking at completed, plus an additional 12 months post project completion utility data usage, to be available. So it would be about maybe projects over 12 months old that have been completed.

VICE CHAIR RAY: Good, I get it. I'm must flabbergasted that LAUSD, the second largest school district in the country, hasn't a single project represented.

CHAIR GORDON: Walkie, they are -- and we actually know this from LAUSD themselves at a prior meeting, but you may remember they are -- and I know Oakland is doing this too -- they are banking several years of funding to do a larger project. So that's why they're not represented in the early projects. The big school districts often take several years of funding and use it all at once to do very big projects.

VICE CHAIR RAY: Okay.

CHAIR GORDON: So there is a reason, but it doesn't mean that it's not slow and slower than we would like, I'll put it that way.

And Arno's question is a good one. I want to make sure, Jack, that this is reflected in your questions to the auditors and maybe our questions when they come in. At the next meeting, I think we'd recommend they come in. How will they -- what kind of percentage of schools do they think they'll be able to get to next year, when we expect a much bigger pool? And will it just be a smaller, and smaller and smaller percentage of the total given we have a set amount of money to spend on this audit, so.

MR. BASTIDA: Yeah. And I would recommend also next year probably taking a look at the universe of what schools the Board wants to look at in a little bit more detail, because you'll have a lot more schools, you'll have a lot more options to kind of pick through that universe and look at instances such as geography and such like that.

BOARD MEMBER HARRIS: One last clarifying question.

MR. BASTIDA: Sure.

2.2

BOARD MEMBER HARRIS: It looked like there may be a typo here on the deadline where it says that the reports will be done in 2016, both those paragraphs, I assume that's 2017?

1 MR. BASTIDA: Where is that? 2 BOARD MEMBER HARRIS: On the last timeframes for 3 Draft and Final Audit Reports. 4 MR. BASTIDA: Yeah. That would be --CHAIR GORDON: That needs to be changed. 5 MR. BASTIDA: That will need to be changed. 6 7 will ask them about that. CHAIR GORDON: Yeah, both of the dates on the end 8 9 last page. That's right. 10 Yeah, Armand just handed me the list of the 11 completed projects and actually there is a Menlo Park 12 Project on there, but it is small, but there's no other Bay 13 Area projects. So if that makes sense. 14 So other questions on the phone or in the room 15 about the audit process? You may recall that we authorized 16 this to move forward and it is moving forward. But I think 17 that's a great suggestion to have them come in, ideally at 18 the next meeting to answer questions about this audit and 19 next year's audit. Since this is a fairly large part of 20 our responsibility as a Board, so other questions on the 21 phone? 2.2 Okay. Hearing none, we don't have to vote on 23 this item. So we can move to the next item. there's anyone -- I don't think there's anyone in the room 24

who wants to hear public comment, but do we have anyone on

25

the phone besides -- do we know?

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MR. BASTIDA: Anybody on the phone wish to make a comment?

CHAIR GORDON: Are there any members of the public in any of your phone locations, just so that I know?

All right, it sounds like not. All right.

MR. BASTIDA: Sounds good.

CHAIR GORDON: We are going to move -- this is a lot of just checking boxes in this meeting -- we're going to move to the next Item Number 4, which is I will turn to Jack again after giving a little context.

As you may remember, we had a bit of a scramble to get our last -- the first report ever to the Legislature done. And because the timelines were short, lots of different versions of that report came into us. And we had a good conversation at the last Board meeting about making those reports more consistent and having a set of sort of key questions that are asked to every agency, so that we can compare across the agencies and also across the years.

Jack has been working a little -- I have a little bit, Jack has more -- been working with a group of people from the agencies, relevant agencies, to come up with a template for the reports going forward. And Jack, I would love you to talk about what that looks like. And I really would love comment on this, because it's an important --

this basically will help -- will be the structure that we're seeing when the report draft comes to us next year, so Jack?

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MR. BASTIDA: Yeah. So as you know last year we sort of got a smorgasbord of different reports from the different agencies. They had pretty much all the main information that the Board needed to vote on the report and move on to their own legislative report. But we wanted to sort of come to the table, this time, and have some standards laid out for the different agencies.

The two agencies that are most important for this is sort of the Energy Commission, the Community College Chancellor's Board, simply because it's pretty complicated. There is a different result. There's different energy measure measures. Last year, they used the term projects differently so they weren't interchangeable. So we all sat down and a couple of months ago came up with some standards just so basically those two organizations are on the same page. They've got the term projects are going to be used the same in the reports, etcetera.

As you can see, at the first draft outline, this is what we came up with Armand's team at the Energy Commission. Basically, it starts off with an Executive Summary, just like last year, states the purpose, the Results Summary, how many LEAs have submitted final and end

role reports, the total funding spent, projects in progress, completed projects including planning funds, what highlights, patterns and trends to include, what's the 4 percentage of allocations that have been requested by LEAs. What's been spent by LEAs and what has not been spent by LEAs, so just some basic Results Summary.

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Number three, identifying energy savings, basically a version of last year's Chapter 2 that the Energy Commission put together that shows the overall SIR on completed projects and the overall Energy Use Intensity, and the Overall Energy Savings, just from the program as a whole to look at.

Number four, the Energy Commission want to put program challenges, what they see as our challenges of the The lack of charter school participation is a big one that I think the Board looked at last year and added in their own report.

The LEAs may now request a full allocation. is this? What is the challenge of that? Encumbrance dates by June 30th, 2018 is fastly [sic] approaching. Energy Commission is looking at the challenges of meeting those deadlines to get out the money.

The last day to submit their EEPs, their Energy Expenditure is going to be August 1st, 2017. So that's another date that the Energy Commission needs to move on to 1 get the money out the door for the schools.

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Just like last year the report will be kind of looked at in chapters. There's chapter one, looking at basically the K-12 Program, the funding status -- one of them to include the same pie chart that they had last year that shows the pre-fiscal year information for the allocations. It includes the funding structure, allocation formula, agency responsibilities, who approves what, the CDE distributes the funding, just basically a rundown of last year's.

Appropriation Summary goes into what's the funds for the years and the totals for the programs will be, so that's important. ECCA hasn't gotten funding -- didn't get funding last year, didn't get funding this year, so that'll be at zero. But the program for the K-12 will have how much more funding, the Appropriation Summary.

The summary of the submitted approved EEPs; those will show a figure of the number of EEPs by dollars and school sites. And the EEPs approved by fiscal year.

The Eligible Energy Measures, just a brief narrative, similar to last year that describes what is eligible for this program and what is not.

CHAIR GORDON: And Jack, I don't think you need to go through all of them.

MR. BASTIDA: Okay. I will fast track it.

CHAIR GORDON: Because people have got limited time, but maybe just the headings like the big (indiscernible) categories for the next couple of couple of pages. And then I'd love to hear from people whether they think this reflects the information. And this again is from CEC, but it would be generally the same as the reporting from the other agencies with some differences depending on what they need to report.

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MR. BASTIDA: Yeah. The other agencies, like the Workforce Development Board will be a lot less complicated, simply because it's a grant program. So they just have to give us some information on how much they spent on the grant, what's the grant doing, etcetera. But this is kind of a similar -- the same as the Community College Chancellor's Office.

The LEA reporting results is going to be the next section. It goes into a reporting schedule, cumulative summary, final project completion reports, will go into annual reports for the number of energy projects, funding approved by type of LEA.

Implementation Overview is the next section.

That'll go through a program implantation summary, program implementation updates, Energy Commission response to the COB recommendations from last year's report and continued challenges.

The next chapter goes through the ECCA-Ed Account, the ECCA-Ed Program. It basically goes through the background, the funding, the approved and complete loans thus far, the remaining funds in the program. And basically I wanted to include in the report, and they agreed maybe a case study of an ECCA Project that has gone through the entire K-12 Program and may be an example for you guys to look at.

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As part of the ECCA Program, the Bright Schools Program just shows a background of that program, expenditures, project details and results. And basically that's it.

CHAIR GORDON: We have -- I just a want to open this up for discussion. We do have obviously staff from the California Energy Commission in the room. And Armand, maybe you could -- I don't know if you want to let us know -- we can get you a microphone -- are there sections you didn't hear that you did not include last year? What do you think from your perspective are sort of the most meaningful sections of the report and just any other background you want to give us on this draft.

MR. ANGULO: Thank you. This is Armand Angulo. What we did was took almost a lessons learned approach where we wanted to make sure that the format was in such a way where you could see the results as far as expenditures,

1 different type of measures, in a format that's easy to read 2 and easy to locate, so you can evaluate the progress and 3 where we've gone so far. And then what we're up against as 4 far as challenges to the program. So that was the major differences. 5 Just formatting to make sure you had the information you needed 6 7 and to put in your report to the Legislature. CHAIR GORDON: Members of the Board, do you guys 8 9 have questions or comments for Armand on this particular 10 draft, because I do think the CEC Draft is going to be the 11 most complex -- it was last year and it will probably this 12 year -- or for Jack in terms of the process questions, 13 spots, concerns. 14 BOARD MEMBER DIAS: Are any of the energy --15 estimated amount of energy saved and all that -- is that 16 going to be in therms and/or in kilowatts or how --17 MR. ANGULO: Kilowatts and therms, kilowatts and 18 therms, and then estimated dollar amount. 19 BOARD MEMBER DIAS: The amount per each? 20 MR. BASTIDA: Excuse me? 21 BOARD MEMBER DIAS: Estimated dollar amount per 2.2 kilowatt saved. 23 MR. ANGULO: Absolutely, for the program. 2.4 BOARD MEMBER DIAS: Yeah. Thank you. 25 BOARD MEMBER ODBERT: Would it be feasible, when

all of this reporting is being put together, to ask for some sort of visual representation of what the projects are or the spaces that all of these different complaints represent? Meaning I think it's hard when you're reading the report to get a sense of what this physically means and also who it's personally affecting. So I don't know when sub-groups report is there anything that documents what the conditions that are being repaired are or even where their things are being done. This is me; I come from a design (indiscernible) background, so --

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MR. BASTIDA: Well, they definitely look at the amount of energy saved, so it'll be like if you didn't install that project this is how much energy you've actually saved, because this project was installed.

Also the Climate Map, Armand you could include that in your report, right? Just to give you like a visual of the state and where the projects are kind of all over the state. It's pretty amazing.

The Prop 39 K-12 Program is -- and I believe the Community College Chancellor's Office Program is -- they're highlighted under like a purple. And that's basically a lot of the Climate Map is purple, like you look at the State of California, it's like very spread out. So that would be a pretty good visual to include.

MR. ANGULO: Would that be helpful?

BOARD MEMBER ODBERT: Yeah. I mean, I think a lot of the questions I've had in the first round of this are really basic things like how are these projects distributed across the state? How do those overlay with income levels or I don't know, climate levels? And so it's been hard to get at that information with the current format, because the information is not typically overlaid with other types of information.

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You've got the energy saving here. You've got the number of projects here. You get the list of where they are here. But it's not all that useful to be able to get feedback and until someone takes the time to put those things together. Then it's easier to see where maybe the gaps are and it helps us, or it would help me to be able to ask useful questions.

MR. ANGULO: And you know what? That's why we've been working on this since June, so that we can get to a point where we have something to present here in September. And we get this feedback, we go back to the drawing board so to speak, and say, "Hey, what about this Climate Investment Mapping? What about the State of California map where we show all the Prop 39 projects? Will that be helpful, Jack?" And then send it to you and say, "Hey, was this what you were envisioning?" Then when you get it in January you're like, "Yeah, I feel good about it." It

makes more sense. So I like this.

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CHAIR GORDON: On that point, a similar point, it would be -- both a map I think would be great, but also to the extent that you can have like, you know, bubbles or something that are of a size -- of the size of the project. You know what I mean, so the larger dots are a bigger project and the smaller dots are a smaller project? That's useful because then you can see it.

And there is a California -- there is a map of low income areas and California climate projects by low-income areas already, right? So that we could probably incorporate that; that would not be a bad idea.

MR. ANGULO: We refer to that as the Disadvantaged Communities, DAC, and we've identified those with the -- as those schools that have students that are eligible and receiving the Free and Reduced Meal Program. And we went as high as 50 percent of those students and we're still, I think, up for participation. We have disbursed funds, Prop 39 funds about 46 percent of our whole program at this point. So I think that would be a relevant piece as well.

CHAIR GORDON: Just following on, Chelina, what you were saying about the types of project. I think for those of us who do energy stuff all the time, lighting is meaningful and HVAC is meaningful, but it actually would

not be a bad idea -- we know what the top five categories of projects are -- to do a little description of what that means.

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So what is lighting? Lighting is basically replacing out X kind of lights with Y kind of lights. HVAC is basically -- we all know what HVAC is -- but it would be good to have a little explanation, because this -- for us, for the Board, but also this report does go to the Legislature. And the Legislature is full of people who are not energy experts, so as explanatory as possible I think is smart.

BOARD MEMBER DIAS: And maybe equate it to X amount of -- tons of greenhouse gasses saved or whatever and all that stuff might help as well.

CHAIR GORDON: Yeah, I don't -- do we have a point in here about climate impact, actually? Do you guys include that?

MR. ANGULO: Well our point is the estimated greenhouse gas emission reduction. And we do include that in our snapshot. And as of September 18th, there was 216 million pounds of carbon dioxide emissions reduced, so we do have that. And that's the extent of that.

CHAIR GORDON: Great, o the phone or in the room, other comments about this? The goal is to make it as useful for us, in terms of our oversight of the program and

1 then obviously to the Legislature as well, but Arno, do you 2 have any comments on this? Anyone on the phone? Walkie, 3 I know you're on the phone. Randall's on the phone. 4 BOARD MEMBER MARTINEZ: This is Randall. I have 5 a question. CHAIR GORDON: Yes, Randall? 6 7 BOARD MEMBER MARTINEZ: As we collect years worth of data, it would be nice to show a trending documents, a 8 9 trends year over year, especially as it relates to for 10 example climate impact. 11 CHAIR GORDON: Whether we could show a trending, 12 just because the program is a multi-year program, could we show trending? And I think both -- Randall was talking 13 14 about trending in terms of greenhouse gas impact, but 15 trending also in terms of just number of projects. 16 spent a lot of time in the report last year trying to explain why it had taken so long for this (indiscernible) 17 to happen. But a timeline that shows the ramp-up of the 18 19 completed projects would be useful actually, to reinforce 2.0 that. 21 MR. BASTIDA: Just like year-by-year, like year 2.2 one, year two. Okay. 23 CHAIR GORDON: Just a timeline instead of an Excel sheet. Like an actual -- I think we're all asking 24 25 for visuals here. More visuals would be good.

1 MR. BASTIDA: Much easier to look at.

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MR. ANGULO: Yes, of course, absolutely.

MR. BASTIDA: Yes, of course.

VICE CHAIR RAY: This is Walkie. The obvious cost savings are -- or energy savings are in the lighting and HVAC no question. But I had a meeting with the Santa Ana School District and their largest savings, and it was huge, was in replacing a pump in the high school swimming pool. But I don't know if was for a single phase, a triple phase or what, but it was a more efficient pump. And its return on investment was greater than any other thing they did.

Where I'm going with this is perhaps we could commend those districts, which went out of their way to find out of the ordinary approaches to saving energy using our monies.

MR. BASTIDA: Well, one idea would be just to include maybe an example of where the program has really highlighted a great example of energy savings, maybe like the school district that has saved the most energy thus far -- the school district that has saved the most money thus far from those projects. Is that kind of what you're getting at?

VICE CHAIR RAY: Well, I guess where I was going was much encourage our LEAs to look beyond HVAC and

lighting, both those cost savings. That was where I was going, Jack.

MR. BASTIDA: I see, yeah.

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VICE CHAIR RAY: But I have no problems certainly with commending those that do a particularly good job in using our monies.

CHAIR GORDON: One concern I have with that idea is that the schools get such radically different amounts of money to do these projects. And for the schools that are smaller that only get \$20,000 it's pretty hard to do something that's revolutionary. But it is a good point, Walkie, to think about doing more case studies in general, or not full-fledged case studies, just a little more narrative on what each of the schools is actually doing.

And honestly, that could be as simple as -- I'm just adding things to this map now, you're going to kill me -- but putting a little light bulb on each of the schools that did lighting and a little -- I don't know how you would represent HVAC actually, somebody could come up with something. A little air conditioner or a little snow flake or something? And then just being able to see the range and then maybe calling out a couple, as Walkie said, of projects that were kind of different would be an interesting idea. Because I think we all have seen from particularly the community college, but also the K-12, that

most of the projects are lighting and HVAC.

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But you're absolutely right, Walkie, highlighting that people can use these funds for other things and that there's scope for imagination in the Prop 39 funding.

VICE CHAIR RAY: You bet.

CHAIR GORDON: That would be good.

Anything else? Well, first of all, thank you staff, Jack and Armand and CEC staff and all the other staff, for working on this. It will be helpful to have something that includes all these pieces.

Can you remind us, Armand, what your -- or Jack, what your deadline is to get -- what the deadlines are? I guess maybe Jack has the microphone. What are the deadlines today in terms of when we get the agency reports and when we have to turn this around?

MR. BASTIDA: Working back from when the Legislature needs our report, so I'll do it that way. Basically the last day in March is when our report is due, 90 days from the calendar year, so last year was March 30th, I believe. But so working back from that in talks with all the different agencies it was recommended that they -- they've actually adjusted their timelines to get their data from the local --- from the LEAs. So I'll let Armand kind of talk a little bit about that.

MR. ANGULO: Thanks, Jack.

As you can see from our format of our report we need the data from the LEAs -- two types of data. First the data for the completed projects that have the 12 months post-completed project utilities usage information. And then secondly, is the annual progress report.

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Last year was the catch up year when we started from 14 up to 16, how many reports, it was December 31st, '15. This year, we're starting with information up to June 30th, 2016. So we started July 1st allowing them online. We provided a template for their annual progress report and said, "You have until September 30th to get your reports in."

We're looking for 858 annual progress reports due, I think that's next week already. So we've been working diligently since July 1st to get that data. And then we're going to, since we've been working on this format, we're going to be plugging in all the numbers and then some additional visual and try to get that to our Executive Office and Commissioners to get approved in December and try to get to you no later than January 31st. So we're diligently working right now to get the data we need right now to complete this report.

Does that make sense as far as timeline?

BOARD MEMBER KREMEN: Excuse me, Gary Kremen. I
was wondering if we'll be able to look at it before it's

due to make any comments on it, maybe in late February?

MR. ANGULO: Late February? You should have it be January 31st.

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BOARD MEMBER KREMEN: Just to weigh in and make some comments on, that's great.

CHAIR GORDON: Gary I just -- this is Kate -- I just want to clarify what you just said. The goal this year, and tell me if this isn't what you meant, the goal this year is to get I hope all the agency reports by the end of January. Jack is that what they've promised?

MR. BASTIDA: Yes, yes.

CHAIR GORDON: All the agency reports by the end of January. We will then -- we will have a meeting where we'll basically have received all of them. We could ask questions about them. And then we need to write our Summary Report over all of them. And then we'll have this Board look at that and make changes to that. It's a compressed timeline, but at least it's less compressed than last year. It would be a two-month timeline of receiving reports, writing a summary and editing the summary, rather than a two-week timeline or whatever it was last year.

MR. ANGULO: We would be open to, after you receive our report January 31st, if you could see it and you have questions, send it through Jack or Kate or anybody and then we could respond then, rather than trying to

answer your questions at the meeting where you're approving it, which sometimes we don't have the data right at our fingertips. So it would just be better for everybody.

CHAIR GORDON: Does that make sense, Gary? Was that your question?

BOARD MEMBER KREMEN: Exactly.

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CHAIR GORDON: Great. And one thing to think about, I'm not suggesting anything at this meeting, but last year we made a decision to do committees, because we were trying to move some of this stuff forward without scheduling a whole bunch of full meetings of the Board, which is not easy. Doing these as committees may not be the right approach, there may be a -- we may do it a little more informally, where people express their interest in going back and forth over email with Jack or with me individually on these reports. We'll have to figure that out, but we will likely have a conversation about how to make that as smooth a process as possible so people can give as much input as possible without scheduling three or four full meetings, which I doubt we can do.

Other questions about the report or about the template. I guess I have a question, which is a question to Jack or to Armand, to you, which is have we ever heard anything from the Legislature about the last report?

MR. BASTIDA: Nope. No.

CHAIR GORDON: Is there any -- I mean this is sort of an open question to the Board. Should we do something to try to get them to do hearing or something? I mean, do you guys think get them to pay more attention to the report? Especially given that next year the program is going to end in 2018, without extension. So we are going to get into a whole political -- or not political but policy question about extension and effectiveness and all that next year. So it's an open question to the Board.

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VICE CHAIR RAY: So Kate, you're asking is anyone listening, right?

BOARD MEMBER HARRIS: This is Arno. I mean, I would just say I think in this last year, I think a lot of our comments were directed to the CEC. And we seemed to have actually had a good response from the CEC and they incorporated a lot of what we suggested and came up I think with some good solutions there. So I think, in that sense, the report had actually more impact perhaps than I might have imagined.

I think the question of whether we're making a recommendation to the Legislature that needs action there will be an interesting one and whether it's really the role of the Board to try to push that forward. I think we want to key up or provide information that those who are perhaps more appropriately positioned to actually organize an

effort to push something through the Legislature. If we can -- I think, I don't know, I mean I'd be curious to hear from other Board Members.

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My sense is overall maybe to tee up and talk about what the challenges of the program are, so that that can be picked up. And again, I'm not sure that we have either the bandwidth or if it's even appropriate to our role to try to organize the effort to drive that.

CHAIR GORDON: Other thoughts? This is something we can talk about at the next meeting too, but Armand you wanted to weigh in?

MR. ANGULO: Yes. Every now and again, we do receive inquiries from legislative members, specifically on what is going on in their particular district and we do update them and it usually revolves around activity.

But in response to some of your comments as far as what we are doing here at the CEC in response to suggestions from stakeholders and yourselves, for example, the SIR was something we looked at from going from one point to a five-to-one point zero one and changing the formula itself to include a higher maintenance cost savings from two percent to three percent. That had an impact on the disadvantaged communities.

I was trying to get more HVAC in, so we call them barriers to program accessibility, trying to make the

program more accessible and get more projects funded through Prop 39. I think we've been successful. And within your report was submitted March 29th to the Legislature with some of those recommendations. And I believe at our July 13th Business Meeting, we had those changes implemented already. So that's been three months.

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So I think as far as evolving the program to engage more of the State's LEAs, we're being successful. I'm not trying to toot my own horn, so to speak, but I think I'm just trying to answer your question as well. Just as far as comments from the Legislature we're getting those individually and also as far as your recommendations too. So I don't know if that makes any sense, but.

BOARD MEMBER HARRIS: Okay. Good.

CHAIR GORDON: Great. Thank you, Armand. That was helpful.

And I think thank you Arno for raising the point that the report did have impact, because I think that was absolutely right that it did.

My question wasn't "Is anyone listening?" as much as it was, "Is anyone in the Legislature listening?" And that may not be, as you said Arno, our role. So it's an interesting conversation to continue having. The reason I bring it up is just forward-looking that this will -- if you look at these timelines that were just in here, they're

the last call for proposals is next year, in June. So this is fast approaching and we're only seeing 29 projects right now. So there are billions of dollars that have not been spent and so we're really posing the question of are we going to see a huge ramp-up right at the end? And are we going to in a position where we, as an Oversight Board, looking at the way that's working are going to have a recommendation?

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BOARD MEMBER HARRIS: I guess just one final comment there with what Armand said triggered a thought for me, which is in our report if we were to simply note the district that the schools are in. You know, have that lined up with the legislative districts, then it would make it easier I think, for staff or for legislators, electeds, to determine what the impact was on their district.

MR. ANGULO: Every week, we provide to the Legislature a status of the projects that have been approved and money that's being distributed to their districts. So that's going out to them through our Office of Governmental Affairs weekly.

One thing I want to point out is because your report had recommendations and they were acted upon, maybe because we're not hearing anything, that's a good thing. They heard it, things have changed, things are moving in the right direction, you're not hearing anything. If they

were not, you might be hearing stuff. So maybe a "no news" might be good news" so to speak in a way.

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I also want to point out that there's 58 counties in the State of California. We have EEPs from 56 counties. Two more counties that are very small counties with one or two school districts, I have engineers calling them, working together with them. I hope by February 2017, I'll have every county with and approved EEP goal, so we can say Prop 39 K-12 money is covering the whole State of California.

CHAIR GORDON: That's fantastic. I thank you.

That's really good news. I actually will just echo what

Arno said. I think it would be -- we already know we will

have some kind of a spreadsheet in this report that shows

what all the projects are. Adding a column for the

districts, for what district they're in is a really good

idea, a smart idea.

(Off mic conversation.)

CHAIR GORDON: Oh, Armand is just saying it's a big report, I think is what he's saying. There's a lot of information and he will do his best, they will do their best to just weigh it in a way that makes sense to people.

BOARD MEMBER ODBERT: I hate to keep coming back to this, but I think maybe even more important than all the information and the appendices would be just some sort of

really simple summary table or graphic that has the district in like one key measure, total amount spent or number of projects, or just something because we know districts are competitive. And just to sort to see where they rank, where they fall, at least that page of the report might get their attention.

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CHAIR GORDON: Any other comments on this item from anyone on the phone or in the room? And do we have any -- we don't have any public comment or do we have any public comment on this item? This is on the report format.

VICE CHAIR RAY: We might want to consider listing the school districts clearly and the Board of Governors or the Board of Trustees. People love reading their names and it might make the probability of it being read higher.

CHAIR GORDON: Great. I think we're all trying to strike the balance between wanting it read and wanting it liked. But these are all really good ideas.

And we will go -- Armand, we are very open to you. Obviously I am, and I can bring in other board members to go back and forth with you on whether there's specific questions that you -- or approaches like in response to Chelina, for instance, on a graphic. If you want to say, "Does this look like kind of what we were looking for?" We can go back and forth with you directly

1 on that, through me or through Jack. 2. Okay. Any other comments on Item 4? MS. ROMERO: Hi. I'm here for Chair 3 4 Weisenmiller. 5 CHAIR GORDON: Perfect. We have a representative for Chair Weisenmiller now whose name is? 6 7 MS. ROMERO: Jana Romero. CHAIR GORDON: Jana Romero, nice to see you, hi. 8 9 Do you have any comments on Item 4? (Laughter.) 10 CHAIR GORDON: Item 5 is actually sort of a -- we 11 can take a little break from administrative questions and 12 learn something. I was contacted by the head of the TomKat Center 13 14 at Stanford University, which is essentially a -- I'm 15 probably describing this wrong, but it's sort of a tech transfer office for new interesting energy ideas coming out 16 17 of Stanford -- about a solar schools project that has direct relevance to the Prop 39 Program, because it's 18 19 basically a K-12 Solar -- (indiscernible) K-12 Solar in 20 California, and they wanted to present to this group. 21 it seems like a really interesting issue and a nice 2.2 opportunity to learn something. So we said they could have 23 ten minutes of our agenda to do that presentation. will turn it over to Jack to turn it over to them. 2.4 25 MR. BASTIDA: Hello. Can you guys hear me from

1 TomKat Center? 2. MR. OGWUEGBU: We hear you. 3 MS. AYYAGARI: We can hear you. 4 MR. BASTIDA: Okay. Go ahead. This is Brian, 5 from the TomKat Center. MR. OGWUEGBU: Brian is with us in the room, but 6 7 this is Chiamaka Ogwuegbu and Sneha Ayyagari speaking at 8 the moment. MR. BASTIDA: Okay. Go ahead. I think I have up 9 10 here your PowerPoint, so. 11 MR. OGWUEGBU: Yes. We can see it. 12 MR. BASTIDA: Okay. Just let me know when you 13 need to change it. 14 MR. OGWUEGBU: Okay, will do. 15 MS. AYYAGARI: Okay. So as mentioned I am Sneha 16 Ayyagari 17 MR. OGWUEGBU: And I'm Chiamaka Ogwuegbu. MS. AYYAGARI: And we work on the Stanford Solar 18 19 Schools Project supported by the TomKat Center for 20 Sustainable Energy. MR. OGWUEGBU: If you could switch to the next 21 2.2 slide. 23 MS. AYYAGARI: Yes. And so the purpose of our project was to work with schools to find and create 24 resources that would make it easier for public schools in 25

California, who are interested in installing solar, to understand the barriers to access. And then also to create resources that make the process easier.

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So some background that we learned through our project is that although California's 10th per capita income, its 44th in K-12 education expenditures. And the focus of our project was really to break up schools that were under-funded. So we defined that as above 70 percent of their students receive free and reduced price meals.

And we saw energy costs as a way to reduce some of the expenditures of the school, so they could focus more resources on their academic programs. And we were surprised to learn that 700 million per year was spent on energy alone. Especially with rising energy costs, many schools are interested in ways to reduce these costs.

MR. OGWUEGBU: Next slide please.

So we knew that several school districts within California had already successfully installed solar, but in order to find out where we could be most useful we wanted to get a clear picture of what the barriers looked like for schools that would be interested in the future.

So as we found out, there are a myriad of barriers that appeared for schools in California. But some significant ones that we saw were school board turn-over. Given that solar projects take several years to properly

commission and install, turn over at all ranks of schools can really hinder that process.

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So for example at the highest level, turnover within the school board, but even at the student level, because students are often checked into these projects and help see them through fruition can be hurtful for projects and also at the school administrative level, such as staff within schools and principals within schools. So turnover at all those levels can really slow down what would be a more expedited process.

And then further, lack of time and resources are an issue for schools that already have their hands full providing an education for their students, let alone having to go through the application process and the commissioning process for solar projects. And combine that with the high consulting fees for consultants such as procurement specialists. And it can be a very unmanageable project. Next slide please.

MS. AYYAGARI: With solar, we saw our goal was to work with schools to see what were some of the barriers they faced in achieving their goals of saving time and money? And then we also wanted to talk to different stakeholders, both in government as well as non-profit organizations and solar companies, installers and also analytics companies to see what options and what projects

are out there and how they could work better together in order to meet these common goals of saving time and saving money.

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MR. OGWUEGBU: Next slide, please. So we decided to take a very multi-facetted approach. We decided that the primary part of what we would provide to these schools were models and both technical and financial. So for the schools that participated in our study, we gave them physical models of what a solar system would actually look like on the school grounds, whether that would be a roof-top system or a carport system combined with how much energy that would produce in comparison to the amount of energy that they were using at the moment. And then the financial aspect of it being how much they would save in electricity, what their cash flows might look like over time. And just in general where solar would fit into their financial future as an institution.

And then the second part of what we've provided was an Action Plan. Given that that even for us, coming into the project, we didn't really feel like we had a great grasp of what overall the process of installing solar looked like from start from finish. We thought it would be very useful to have an Action Plan that kind of laid out in easy to understand terms what the process might look like from beginning to end. And have that be a resource

throughout the process for schools.

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And lastly, we had a Funding Opportunities document, which was kind of a one-stop shop of the most useful funding opportunities that schools can look to in funding the project. So from loans and grants that are at the national level and the state level as well. Next slide.

MS. AYYAGARI: Yes. So there are five major steps that we broke the process into with developing an Initial Project Plan that would support schools with this process, we provided a report that Chiamaka mentioned that we created as well as resources for people they could reach out to, to get professional opinion and discounted rates for consulting fees.

For funding application, we found a wide range of resources that they could apply to. And so they can look through those and see which are most applicable to their particular context. In terms of finalizing the project plans, we found many consultants and also many organizations that support schools through this process. So we created kind of the easy way to access these resources and also be connected to schools that have worked on projects in the past.

And then in terms of construction and installation we provided some of the resources we found as

to people who have contracted and worked with schools in the past and some best practices. And then we also provided some tips for ongoing operations in the interim. Next slide, please.

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MR. OGWUEGBU: The next slide, please?

So earlier I alluded a little bit to the technical and financial modeling. And the tool that we used in order to execute that was Aurora Solar. Aurora is a very great tool, because it allows you to do vary advanced physical models and being able to see what solar looks like on your school grounds, whether that be rooftop of carport. And you can also — and it also provides you with the technical numbers of your production, of your costs, of the number of solar panels that you need. And it allows you to vary between different types of solar panels. And then it combines that with the financial aspect of the project, including cost, value over time, and how you can expect the solar to affect your electricity bill.

So we thought it was a great tool for what we wanted to accomplish. Next slide, please.

MS. AYYAGARI: Key funding opportunities, we broke it down into three major categories. One being grants, the second being loans, and the third being power purchase agreements. We also highlighted some local and national initiatives as well.

For grants the most important one is Prop 39, which I'm sure you are very familiar with. And then for loans we also highlighted some state and national loans, which are either zero interest or low interest. And also these were loans that are current and we also created a place where they could contact people directly to learn more about the application process. And then we also touched a little bit on power purchase agreements.

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MR. OGWUEGBU: The next slide, please?

So we worked with an array of schools throughout the State of California, some of those being in rural areas and having relatively low registration numbers. And others being in highly urban areas and having thousands of students.

And overall, we worked with 26 schools and we were able to model with them. And in order to source these 26 schools, we realized that we had to cast a wide net given that it was summer and a lot of school officials and school administrators were away from email. So what we did is we reached out by email to every school district in the State of California that had 70 percent or above of their students with free or reduced price meals. And from there, we were able to receive responses from these 26 schools and be able to continue to continue communication with them.

Next slide, please?

MS. AYYAGARI: So what we learned from the process is threefold. First we learned about the Aurora Software itself. We learned what a powerful tool it was for creating models into relatively new software. We were also able to provide the company with some suggestions as to ways to improve the user interface and functionality.

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And then we also found potential uses and to expand it beyond their traditional target audience of solar installers, ways that it could be implemented in government or possibly as an educational programs in schools.

By talking to the schools, we found that there is quite a lot of interest in solar. And many schools have been contacted in the past by solar installers, but we found that the major barriers were the prohibitive cost and then also barriers in communication between different stakeholders and schools. And then we also experienced a little bit of that difficulty in communicating, because we were talking over the summer.

MR. OGWUEGBU: And some more specific suggestions that you could possible take into consideration, possibly creating a similar outreach initiative to smaller and resource -constrained schools to make them aware of the various programs that are available to them. And also provide them with step-by-step instructions and expert assistance in doing the process when it's necessary. And

also possibly creating a clearing house of vetted independent procurement specialists and experts, who can provide schools with information and help guide them through the process given that consulting and procurement can be prohibitively expensive.

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And lastly, possibly incentivizing regional participation in projects in order to maximize the efficiency of the resources that are available, and realize savings through aggregate buying.

MS. AYYAGARI: Next slide, please?

We would like to give a huge thank you to the TomKat Center for supporting our work, particularly our mentor, Dr. Brian Bartholomeusz. And we had a really great learning experiences for all of the students involved and we also hope that we delivered a product that was valuable to the schools that we worked with.

MR. OGWUEGBU: We'd also like to thank the Stanford Haas Center for providing funding for our project, as well as the many organizations that took time out of their days to talk with us about our project and how we could maximize our impact, such as KyotoUSA and the folks at Aurora Solar.

MS. AYYAGARI: And so we also wanted to say thank you for the work you're doing on Prop 39. And open the floor up for any questions you may have about our project.

CHAIR GORDON: Thank you both so much, this was really interesting. This is Kate Gordon. I have two opening questions.

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One is whether you went into the project with a solar bias or did you do work ahead of the time to figure out what these schools --- what would give the most bang for the buck, I guess, in terms of energy savings? So that's the first question.

The second is whether any of the schools you worked with are actually now doing projects, based on this work?

MS. AYYAGARI: So in terms of the project our mentor did some work beforehand. So when we started the project, we knew that we would be working primarily on solar. And all of the schools we worked with had already expressed interest in installing solar in their schools.

In terms of whether any schools are going forward with their projects, their projects just ended a couple of weeks ago, so we're still in communication with some of the schools. But from what we have communicated so far, it seems like a few are interested in at least exploring further in making use of Prop 39 funds and other funds in the future.

MR. OGWUEGBU: And we wanted to touch a little bit on solar, because we felt like a lot of schools that we

were in contact with already had a good feel of what they could accomplish in the efficiency area. So we wanted to provide information on an alternative -- well, not an alternative but rather an additional step in the utilization of solar to save energy.

CHAIR GORDON: Thank you.

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Other Board Members, questions or comments; Dias, David Dias?

BOARD MEMBER DIAS: Yeah, I just wanted to know, I see you used this Aurora software. How accurate is it, or do you know? I mean there has been studies out there about deemed in actual savings on energy efficiency. I don't know anything about solar, if it's the same way or not. But the deemed savings are calculated savings and a lot of times don't measure up to what actually happens. Does this software -- are their calculations good and accurate?

MS. AYYAGARI: Yes. So this software is actually one of the leading in this field. They've been working for -- they were validated by NREL. And they also have very detailed analyses both technically and financially, so it's been validated by NREL. And then also it's been used for hundreds of projects so far with pretty good success.

BOARD MEMBER ODBERT: I was just curious if any of the schools that you worked with already were doing Prop

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39 projects around energy savings and/or if any of them
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    were at least familiar with the Prop 39 Program?
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              MR. OGWUEGBU: So several were actually familiar
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    with the program and many of them had already allotted
    their money to do efficiency projects, which is why we felt
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    that the information on other low-interest financing
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 7
    options was especially useful to them. So yes, to answer
    your question, yes, a lot of them were familiar.
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              And what was the second part of your question if
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    you wouldn't mind repeating it?
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              BOARD MEMBER ODBERT: Oh, that was great, thank
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    you. That answered the question.
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              MR. OGWUEGBU: Okay. I appreciate it.
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              CHAIR GORDON: Walkie, Gary, Randall, questions
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    from the phone?
              VICE CHAIR RAY: No, I'm familiar with the
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    Brian's work. He's excellent, so good work.
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              MR. OGWUEGBU: Thank you.
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              MS. AYYAGARI: Thank you.
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              CHAIR GORDON: Any other questions from the
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    phone?
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              (No audible response.)
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              CHAIR GORDON: Good. Thank you for your
    recommendations to us. I think we've heard also from the
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25
    California Energy Commission. We've been talking for some
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time about this sort of concern about outreach to smaller 1 2 schools and an issue about getting more applications from 3 those schools. And the CEC has actually done a fair amount 4 of that kind of outreach, so it's definitely an area of 5 focus for this group to make sure that all the schools across the state know about these opportunities. But thank 6 7 It's a good observation. We really appreciate your time and the work that 8 9 you're doing. It's great and it's always really useful to 10 us to see how some of these issues are playing out on the 11 ground with front people who are actually talking to the 12 schools, so thank you again. Any other questions from the Board? 13 14 (No audible response.) 15 CHAIR GORDON: Hearing none, thank you again so much. And thank Brian for us too. 16 17 MS. AYYAGARI: Okay, thanks. 18 MR. OGWUEGBU: Thank you very much for having us. CHAIR GORDON: Absolutely. 19 20 Okay. On to our close to last item, moving on. 21 This is an actual vote, so we actually get to vote on 2.2 something today, on the exciting topic of the Conflict of 23 Interest Code. And I'm going to turn it to Jack about what

that is and what he is recommending. And then we will see

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if we have a motion.

MR. BASTIDA: All right. So I was contacted by the FPPC to actually write a Conflict of Interest Code for the Board. Each agency is required to have its own Conflict of Interest Code. Basically it spells out what positions are and the disclosure categories are for those positions.

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Through talking with the FPPC we've come to this document here that is basically a draft for you to finalize today that we would put towards the Fair Political Practices Commission.

The designated positions, we don't have that many, so that was easy. Basically, we just have to make sure that we show the positions of appointed Board Members. This also includes the Ex-Officio Board Members from the California Energy Commission and the California Public Utilities Commission. They actually are not required to file a Statement of Economic Interest for their positions as Ex-Officio Members of this Board, because they already file in their agencies.

The appointed Board Members, as of yourselves, are in Disclosure Category 1, which basically says that positions assigned to this category must disclose all investments, businesses, positions and business entities, sources of income including receipt of loans, gifts and travel payments, and real property located in the State of

California. This is actually less than what you've already filled out in your Form 700s, so you wouldn't have to include as much information for next year.

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We had you fill out your Form 700s pretty much as a full disclosure, because we weren't sure what disclosure category you were in. But the lawyers have looked at it and want you in Disclosure Category 1 to just disclose all your investments.

The other positions that are part of our Board is the Assistant General Counsel. Heather is not here today, but she would be also in this same disclosure category as you.

My own position as Associate Governmental Program Analyst, it's a mouthful, but it means that I would be in Disclosure Category 2, which would include disclosing any investment business positions in a business entity or sources of income including gifts, loans and travel payments, if the entity or source of the type that provides leased facilities, products, equipment, vehicles, machinery or service, or any consulting services by the type utilized by the Board. Otherwise, I don't have to fill out a Form 700.

And that is basically it. Is there any questions regarding it?

BOARD MEMBER KREMEN: Yeah, this is Gary. That

seems pretty broad. I fill out a bunch of Form 700s and 1 2 all -- I think we should be in Category 2. I'm not going to disclose all my investments. 3 4 MR. BASTIDA: Okay. This was recommended by the 5 FPPC lawyers and our own legal staff as well. So we can go 6 back and look at it, change some language, if you're not 7 comfortable with it. CHAIR GORDON: Can I just ask a clarifying 8 9 question? So Heather, our counsel, has looked at this and 10 I think agrees with it. And Jack is saying that our Form 11 700s already over-disclose basically for Category 1. They 12 cover Category 1. Are you saying that you are not happy with the current Form 700 disclosure or sort of what -- I 13 just want clarification on what you just said. 14 15 BOARD MEMBER KREMEN: Yeah. You're asking me? 16 CHAIR GORDON: Yes. I'm asking you. 17 BOARD MEMBER KREMEN: I mean I have 300 18 investments. I'm not going to go disclose them, so I'll 19 probably resign. 20 CHAIR GORDON: I don't think you have to on Form 21 700 disclose every investment. You've done Form 700, 2.2 right? 23 BOARD MEMBER KREMEN: I'm an elected official. I

sit on a bunch of entities. We only disclose things that

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are relevant.

CHAIR GORDON: Right, so that's for Form 700. 1 2 think the wording of the categories is problematic, because we all have done Form 700 for this Board and we've only 3 4 disclosed our relevant investments. So I think it's a good 5 question, Jack. I think we may need to understand this 6 more. 7 MR. BASTIDA: Okay. Yeah, I can --CHAIR GORDON: But Jack, your understanding is 8 9 that Form 700 is adequate for what we are committing to 10 here? 11 MR. BASTIDA: Yes, yes. 12 CHAIR GORDON: So we want to make sure that the language doesn't commit us further than Form 700, so I 13 14 think that's actually a really good point that Gary just 15 made. 16 MR. BASTIDA: Okay. I will check in with 17 We can table the item for now and I can go back Heather. 18 and get some more information on exactly what disclosure 19 category we are needed to have this Board --20 CHAIR GORDON: Okay. We will I think, not vote 21 today, because it's a very good question. I would be 2.2 surprised if we had to disclose more than you, as an 23 elected official. And so I would recommend that we clarify 24 the language. 25 Yes. It may be that --MR. BASTIDA:

1 BOARD MEMBER KREMEN: And tell them -- and we 2 need to do more than clarify, we'd say we want to have them 3 do what's reasonably required. 4 MR. BASTIDA: Yes, it may be that we can change the language, so that we would only disclose investments 5 and business entities to categories such as energy usage in 6 7 the State of California. We'll look into that for you. BOARD MEMBER KREMEN: Yeah, it's more of an 8 9 advocacy, because I mean imagine having to do every stock 10 portfolio. And that's happened when these things aren't 11 written right. 12 CHAIR GORDON: We also know (indiscernible) any 13 money really or get any money, so it should be -- I mean 14 the other way to address it is to just say that we all have 15 to fill out Form 700. I mean if the form is adequate, then that should be what we're --16 17 BOARD MEMBER KREMEN: Oh yeah. We have to fill 18 it out, but a lot of people --19 CHAIR GORDON: (Indiscernible) I was just saying 20 if we can say that that's adequate to the disclosure 21 required, sorry. I was being -- I was not clear. 2.2 BOARD MEMBER KREMEN: Oh yeah. I'm totally for

filling it out. I do it for a bunch of things, but it's --

what's in different places. I get the statewide form, but

some people ask stuff from the County, some people ask

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1 all investments that have nothing to do with anything, I 2. don't see the relevance. 3 CHAIR GORDON: I'm just looking at David, because 4 he's on a bunch of commissions too. I'm just wondering if 5 you've -BOARD MEMBER DIAS: Just (indiscernible). 6 7 CHAIR GORDON: All right, so let's go, Jack, not just clarify it, but let's adjust the language so that we 8 are clear on what is essentially the fact of Form 700, is 9 10 adequate. And that we -- and be more clear about what we 11 actually use. 12 MR. BASTIDA: Yeah, I will contact the FPPC 13 tomorrow and send out an email to clarify that. 14 BOARD MEMBER KREMEN: Yeah, I want to be clear. 15 I'm not against filling out Form 700, there is the 16 regulations. Every government body has different 17 regulations of what they want and what not and that's within our purview. It's not about filling out the form, 18 19 of course we have to fill it out. It's what you put on it. CHAIR GORDON: Yeah I know. 20 I'm sorry. 21 probably was not being clear about it to you. 2.2 I'm just trying to clarify that and make sure 23 that what Jack said is correct that we are fulfilling our duties by filling that out. And filling that out is not 24

the same as disclosing all investments. So I'm just trying

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    to make sure that we are fulfilling our duties right now,
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    by filling out Form 700, which we are. So good, so he's
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    going to go back and we're going to find better language
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    that's more clear. Other questions on this while Jack is
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    going back to talk to the lawyers?
              (No audible response.)
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              CHAIR GORDON: All right, thank you, Gary. Great
    flag there, we appreciate it. Any comment on this item
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    other than the Board?
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              (No audible response.)
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              CHAIR GORDON: No? Okay. It looks like we, I
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    believe, need a motion to adjourn this meeting.
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              MR. BASTIDA: Just public comment on anything?
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              CHAIR GORDON: Oh, except for if there's any
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    public comment on any item not already covered on the
    agenda or anything, really.
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              (No audible response.)
              CHAIR GORDON: Great, I think that's it.
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    was a very efficient meeting.
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              BOARD MEMBER ODBERT: I move to adjourn the
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    meeting.
              CHAIR GORDON: Yeah, Chelina just moved to
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    adjourn the meeting.
              BOARD MEMBER DIAS:
2.4
                                  Second.
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              CHAIR GORDON: All in favor?
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IN UNISON: Ayes.
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               CHAIR GORDON: Anyone opposed and want to keep
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    meeting? (Laughter)
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               All right, the motion carries.
               Thank you everybody again for your time and
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 6
    service.
               And we will see you next time.
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                       (Adjourned at 2:33 p.m.)
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## REPORTER'S CERTIFICATE

I do hereby certify that the testimony in the foregoing hearing was taken at the time and

place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

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IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of September, 2016.

Kent Odell CER\*\*00548

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